MORTGAGE BANKING

NOVEMBER 1983

The Magazine of Real Estate Finance

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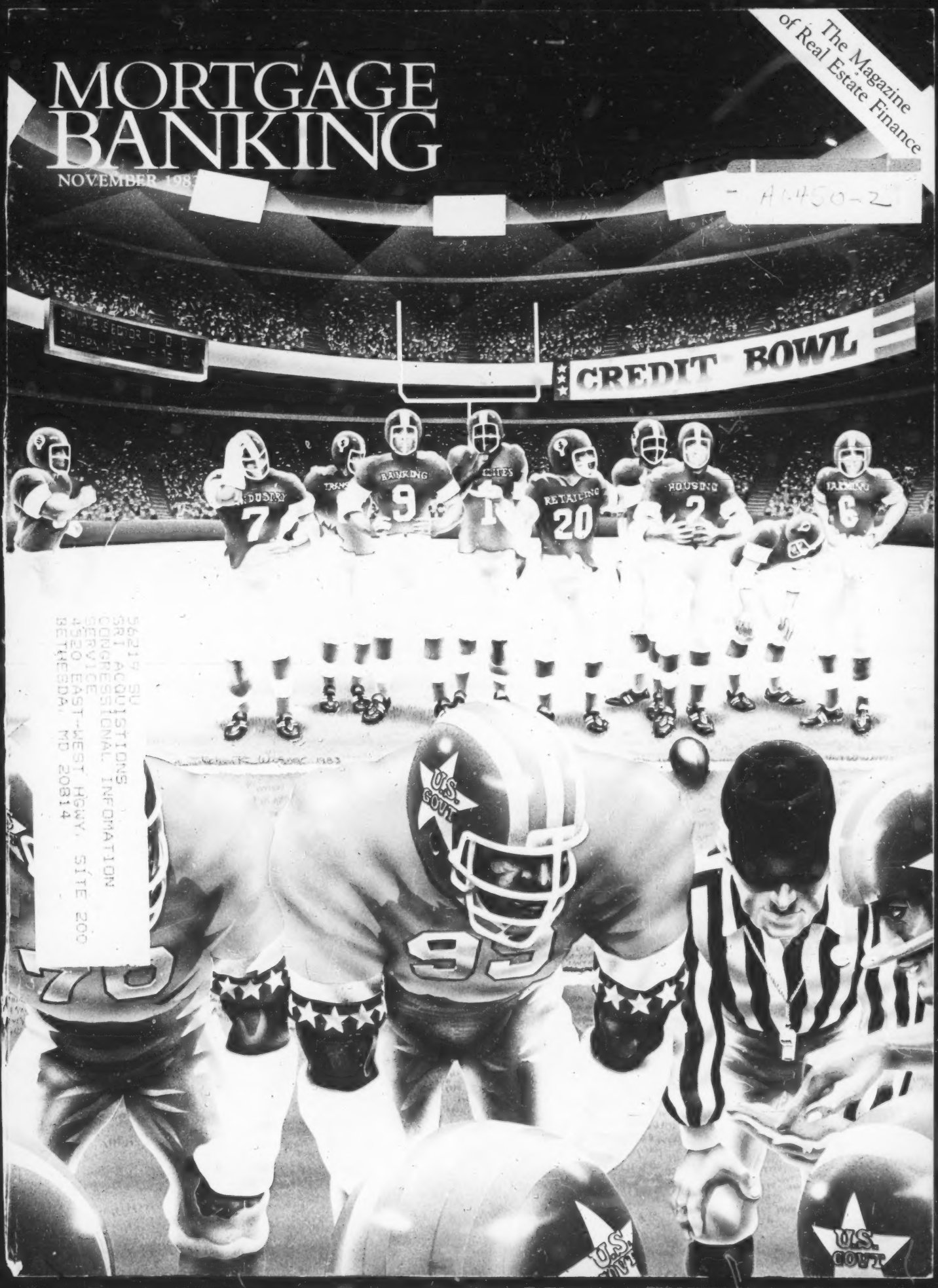

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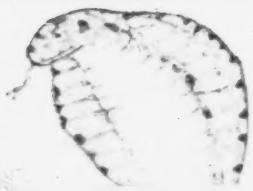

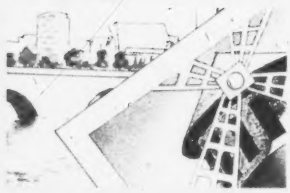

32 Measuring Profitability

45 Controlling Risks

62 GNMA In Europe

Interview with Felix M. Beck, CMB 10

Second Mortgages: Coming of Age 20
Michael Rosser

Measuring Mortgage Bankers' Profitability 32
Ronald Rowland

Controlling Mortgage Pipeline Risk 45
John W. Labuszewski and James F. Meisner

Pension Funds: Targeting the Market 55
Thomas P. Napier, Jr.

GNMA Goes to Europe 62
Robert W. Karpe

About This Issue 5
People 69
Books 85
Mortgage Market Trends 93
Classified Advertisements 88
Advertisers Index 90

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MORTGAGE MARKET TRENDS

Prepared by MBA's Economics Department

October 13, 1983

The current economic recovery is nearing its first anniversary, and it appears likely to continue in spite of the record high level of real interest rates. When this recovery began at an abnormally slow pace last winter, many analysts feared that it would give way to a disastrous third recession in three years. The recovery did strengthen, however, and in the second and third quarters this year real GNP grew at estimated annual rates of 9.6 and 7.0 percent, respectively. A 4 to 6 percent pace seems to be in store for the next several quarters.

This economic recovery resulted when business finally drew down inventories to replenishment levels at the end of 1982, inflation was pulled down to a 3.6 percent annual rate in early 1983, and the Federal Reserve responded with a more relaxed monetary policy during the last half of the year. After a lag, the reduced tax rates of the Reagan three-year tax cut have begun to strengthen consumer confidence and spending. Industrial production gained for nine consecutive months through August, before a modest correction in September. At the same time, the huge Federal budget deficit has augmented spending in certain areas of the economy, including the medical and defense sectors. These increasing components of aggregate demand have outweighed weakness in net exports and investment to yield the welcome growth in GNP. An important aspect of this recovery is its imbalance, with investment and net exports remaining weak while consumer spending surges. Investment remains weak due to excess unused capacity in many industries and high real interest rates that render many projects infeasible. Exports are weak and imports are strong due to the high value of the dollar on the foreign exchange markets, also directly attributable to high U.S. interest rates. This effect will continue to injure U.S. producers for foreign markets and domestic producers who compete against imports; both groups will lose market share, some of which never will be regained.

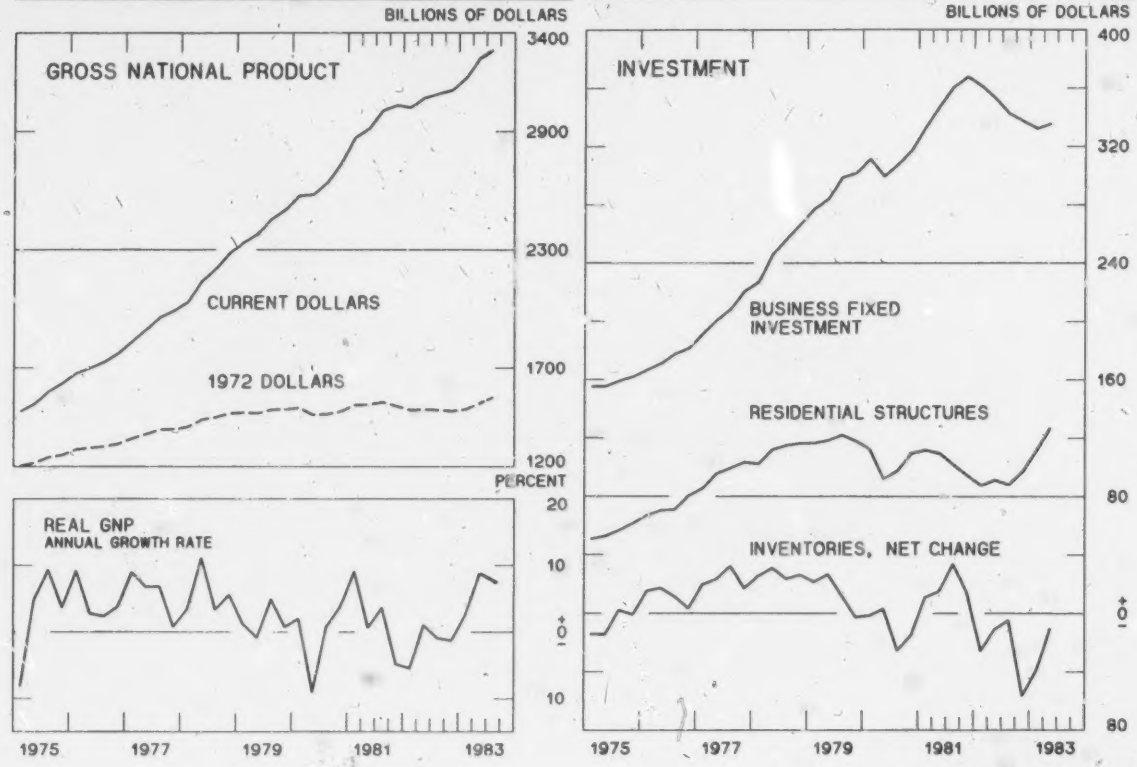
Because monetary policy has been the key to the recovery so far, the economic outlook must be based on an assumption about future monetary policy. Last spring the Federal Reserve became concerned that economic growth was proceeding too rapidly, risking renewed inflation. At the May meeting of the Open Market Committee, a slightly more restrictive monetary policy was adopted to slow economic growth. The result was a firming of interest rates during the summer. The just-released minutes of the August Open Market Committee meeting revealed a slight easing of credit policy. With inflation in September below a 3 percent annual rate, and with the money supply safely within the target range, it now seems that this relaxation of monetary policy will continue, at least until year-end.

Although the economic recovery is proceeding, the huge Federal budget deficits continue to prevent a broad-based revival of all segments of the economy. The Federal government now spends one-third of national income, twice its share of 1950. Many spending programs are indexed to rise with inflation, while income tax revenues are scheduled to be indexed in 1985 so they no longer will rise in step with inflation. As Council of Economic Advisors Chairman Martin Feldstein told the MBA Board of Governors last month, Federal deficits are projected to stay in the $180-200 billion range for the next several years. This expansionary fiscal policy will exert upward pressure on interest rates and the price level, forcing the Federal Reserve to keep monetary policy more restrictive than would otherwise be necessary. Until the deficits are brought down to more reasonable levels, there is little hope for return to balanced and broad-based economic health for the economy. There is little prospect for near-term improvement in the deficit. Although the Congressional budget resolution calls for $73 billion in new tax revenue over the next three years, little action this session is expected. The House Ways and Means Committee is working on a bill that would raise only $5.7 billion, while the Senate Finance Committee cannot agree on a bill at all. With elections approaching in 1984, no one expects significant fiscal action next year.

The overall economic recovery will continue into 1984. The unemployment rate will continue to drift downward slowly, from its current 9.3 percent to 9 percent at year-end. In spite of huge Federal deficits, the expected easing of monetary policy in a low inflation environment will allow interest rates to fall. Short-term Treasury yields should approach 8 percent by year end, and mortgage yields could reach 12 percent. Whether these trends continue will depend on whether the deficits and the inflation rate force the Federal Reserve to restrict credit growth early in 1984.

Dr. Warren Matthews
Senior Economist

SEASONALLY ADJUSTED ANNUAL RATES, QUARTERLY



FEDERAL BUDGET

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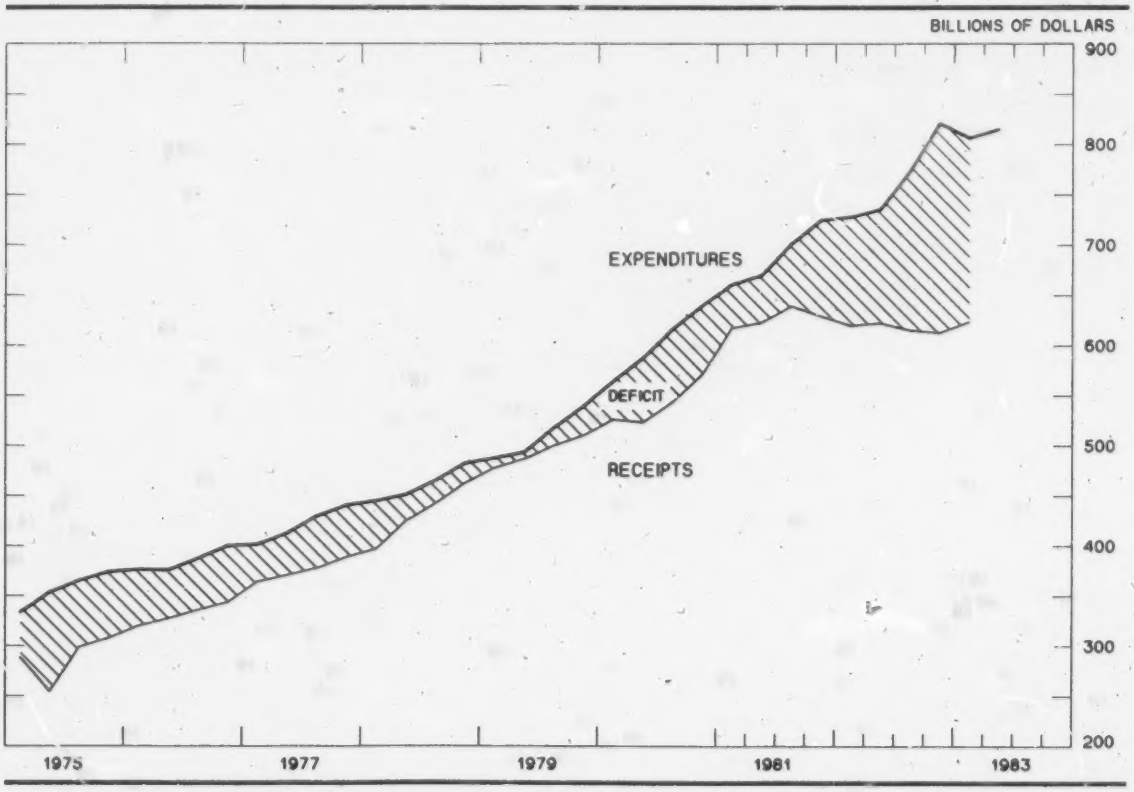
SEASONALLY ADJUSTED ANNUAL RATES, QUARTERLY



Source: Federal Reserve Board

MORTGAGE MARKET TRENDS—NOVEMBER 1933

RESIDENTIAL STRUCTURES, BY UNIT TYPE

(Units in thousands)

Year and Month	PERMITS 16,000 ISSUING PLACES						HOUSING STARTS					
	Actual			Seasonally Adjusted Annual Rate			Actual			Seasonally Adjusted Annual Rate		
	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
1982												
MAY	81	53	28	944	590	354	99	67	32	1,028	707	321
JUN	89	59	30	929	607	322	91	71	20	910	703	207
JUL	91	53	37	1,062	585	477	107	70	37	1,185	721	464
AUG	80	54	26	888	580	308	96	70	26	1,046	738	308
SEP	100	61	39	1,003	657	346	105	71	34	1,134	773	361
OCT	100	63	37	1,172	737	435	111	73	38	1,142	782	360
NOV	100	64	36	1,284	843	441	109	73	36	1,361	947	414
DEC	76	50	26	1,168	810	358	83	57	26	1,280	921	359
1983												
JAN	85	56	29	1,447	1,996	461	92	64	29	1,707	1,239	468
FEB	93	56	36	1,479	949	530	96	66	30	1,784	1,220	564
MAR	135	91	44	1,467	985	482	135	95	40	1,605	1,108	497
APR	138	93	45	1,536	982	554	136	103	33	1,506	1,118	388
MAY	149	104	45	1,635	1,076	559	175	124	51	1,807	1,279	528
JUN	171	114	57	1,761	1,160	601	173	125	48	1,736	1,250	486
JUL	147	92	55	1,782	1,057	725	160	112	48	1,785	1,162	623
AUG	155p	101p	54p	1,666p	1,046p	620p	180p	123p	57p	1,935p	1,273p	662p
8 months												
1983	1,073	707	365				1,147	812	335			
1982	599	385	214				655	468	186			
1981	710	493	217				786	592	194			
1980	717	511	206				792	594	198			

VALUE OF NEW CONSTRUCTION PUT IN PLACE

(Dollars in millions)

Year and Month	Seasonally Adjusted Annual Rate			
	Total	1 Unit	2+ Units	Non-Res.
1982				
MAY	114,597	33,864	16,261	64,472
JUN	116,619	34,398	14,950	67,271
JUL	116,632	35,270	16,085	65,277
AUG	117,960	35,852	16,774	65,334
SEP	118,274	36,309	16,728	65,237
OCT	118,591	36,895	16,720	64,976
NOV	121,864	38,868	16,902	66,094
DEC	122,957	41,495	17,113	64,349
1983				
JAN	128,757	45,650	17,775	65,332
FEB	131,430	49,869	18,907	62,654
MAR	133,662	53,374	18,958	61,330
APR	134,876	57,134	20,130	57,612
MAY	139,801	61,926	20,300	57,575
JUN	147,929	65,797	22,124	60,008
JUL	151,919	67,489	25,082	59,348
AUG	157,219p	68,611p	26,177p	62,431p

HOUSE SALES

(Units in thousands)

Year and Month	EXISTING HOUSES[1]	NEW HOUSES		
		Sold	Available For Sale	Months Supply at Current Rate
1982				
MAY	169	37	259	8.2
JUN	192	34	253	8.3
JUL	183	31	251	8.5
AUG	186	34	247	7.5
SEP	168	40	248	6.9
OCT	173	41	245	6.1
NOV	167	39	250	5.5
DEC	148	33	255	5.8
1983				
JAN	155	44	256	5.2
FEB	163	46	253	5.4
MAR	237	57	259	5.2
APR	236	59	264	5.1
MAY	259	64	271	4.9
JUN	283	59	285	5.3
JUL	260	53	291	5.8
AUG	281p	53p	297p	6.2p
8 months				
1983	1,874	435		
1982	1,296	259		
1981	1,724	319		
1980	1,909	372		

RESIDENTIAL STRUCTURES, BY REGION

(units in thousands)

Year and Month	PERMITS 16,000 ISSUING PLACES								STARTS							
	Actual				Seasonally Adjusted Annual Rate				Actual				Seasonally Adjusted Annual Rate			
	North East	North Central	South	West	North East	North Central	South	West	North East	North Central	South	West	North East	North Central	South	West
1982																
APR	9	10	46	17	97	105	506	171	9	14	47	15	104	157	484	166
MAY	10	13	41	17	110	145	488	201	12	16	54	18	117	144	578	189
JUN	10	12	46	20	105	118	499	207	10	18	44	19	98	157	462	193
JUL	9	12	45	24	101	140	555	266	11	15	62	18	104	159	725	197
AUG	13	10	42	17	113	106	485	184	12	16	49	16	119	164	567	196
SEP	12	15	51	21	114	131	530	228	16	15	54	20	138	141	629	226
OCT	13	14	51	22	135	139	635	263	10	20	58	23	108	156	628	250
NOV	14	13	56	17	127	131	649	285	14	15	63	17	160	183	773	245
DEC	8	7	41	21	112	148	738	307	8	7	47	21	122	155	714	289
1983																
JAN	6	6	52	21	152	188	764	343	5	6	63	18	164	231	992	307
FEB	8	6	57	22	185	163	794	337	7	8	58	24	270	263	900	351
MAR	11	14	82	28	136	173	835	323	13	13	80	29	210	196	855	344
APR	14	16	74	34	165	172	832	367	14	18	75	30	175	192	804	335
MAY	15	20	77	38	148	194	885	408	17	25	93	40	164	229	1,008	406
JUN	19	21	86	45	183	201	930	447	18	25	89	42	171	214	932	419
JUL	16	17	78	36	181	186	1,004	411	17	23	82	38	157	230	993	405
AUG	18p	21p	77p	39p	181p	203p	867	415p	22p	26p	93p	39p	192p	249p	1,035p	459p
8 months																
1983	107	121	583	263					113	144	633	260				
1982	64	58	332	132					67	91	373	122				
1981	77	94	352	187					76	116	416	175				
1980	71	105	342	200					76	118	406	193				

CONSTRUCTION STATUS

(units in thousands)

Year and Month	UNDER CONSTRUCTION			COMPLETIONS		
	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
1982						
APR	653	419	234	75	53	22
MAY	666	425	241	86	61	25
JUN	671	438	232	85	76	28
JUL	690	442	248	85	64	21
AUG	690	442	248	91	66	25
SEP	713	450	263	84	63	21
OCT	717	448	269	102	71	30
NOV	732	453	279	94	68	26
DEC	718	439	279	96	68	28
1983						
JAN	728	442	286	81	60	21
FEB	747	456	291	78	53	25
MAR	835	517	318	91	69	22
APR	832	516	316	90	69	21
MAY	901	565	336	106	75	31
JUN	951	597	354	123	93	30
JUL	990	617	373	118	89	29
AUG	1,016p	633p	383p	153p	105p	48p
8 months						
1983				840	613	227
1982				629	458	190
1981				836	620	216
1980				1,021	723	337

INTEREST RATES AND YIELDS

Year and Month	1-4 UNIT MORTGAGES					APARTMENTS[3]	CONSTRUCTION LOANS[3] ALL TYPES	FNMA		GNMA Current Securities Yield[3]	SELECTED SECURITIES				SPREADS (Basis Points)	
	FHA Opinion Survey			FHLBB Survey				Mandatory Delivery Yields			Aaa Utility New Issue	U.S. Gov't.		Prime Commercial Paper 90-119 Days	FHA New Minus Aaa Utility	GNMA minus 10-yr Gov't.
	FHA New[1]	Conventional		Conventional				ARM (5 yr Treas)	Conv			10-yr	26-wk			
		New	Existing	New	Existing											
1982																
MAY	16.19	16.50	16.55	15.89	16.11	16.88	17.80		16.000	15.26	15.22	13.62	12.220	13.42	97	164
JUN	16.73	16.75	16.80	15.40	15.56	17.62			16.375	15.89	15.92	14.30	12.310	13.96	81	159
JUL	16.29	16.50	16.55	15.70	15.52	17.13			16.125	15.54	15.61	13.95	12.236	12.94	68	159
AUG	14.61	15.40	15.45	15.71	15.63	15.62	17.19		15.500	14.31	13.95	13.06	10.105	10.15	66	125
SEP	14.03	15.05	15.05	14.99	15.30	15.37			14.750	13.51	13.50	12.34	9.539	10.36	53	117
OCT	12.99	13.95	13.95	14.41	14.95	14.13		13.097	14.000	12.86	12.20	10.91	8.299	9.20	79	195
NOV	12.82	13.80	13.80	13.81	14.29	13.88	15.14	12.605	13.375	11.85	11.76	10.55	8.319	8.69	106	130
DEC	12.80	13.62	13.64	13.70	13.95	13.37		12.346	13.000	12.00	11.84	10.54	8.225	8.51	96	146
1983																
JAN	12.87	13.44	13.45	13.49	13.54	13.88		12.097	13.000	11.89	12.05	10.46	7.898	8.17	82	143
FEB	12.65	13.18	13.19	13.16	13.40	13.75		12.376	12.875	12.20	12.08	10.72	8.233	8.34	110	148
MAR	12.68	13.17	12.85	13.51	13.04	13.63	12.56	11.916	12.920	11.82	11.70	10.51	8.325	8.52	98	131
APR	12.50	13.02	13.07	12.42	12.88	13.50		11.955	12.775	11.78	11.41	10.40	8.343	8.53	109	136
MAY	12.41	13.09	13.09	12.67	12.82	13.63	11.72	11.470	12.583	11.54	11.32	10.38	8.20	8.33	109	116
JUN	12.96	13.32	13.38	12.36	12.67	14.00		12.480	13.163	12.03	11.87	10.85	8.89	9.00	109	118
JUL	14.23	14.00	14.01	12.50	12.63	14.50		12.978	13.638	12.80	12.32	11.38	9.26	9.25	191	142
AUG	13.78	13.90	13.92	12.35	12.72	14.38		13.195	13.688	13.22	12.25	11.85	9.51	9.54	153	137

LONG-TERM MORTGAGE LOANS CLOSED

(Dollars in Millions)

Year and Month	BY TYPE OF INSTITUTION					BY TYPE OF UNIT, AND INSTITUTION														
						1-4 Units					5+ Units					Nonresidental				
	Total	Mtg. Bankers	S&Ls	Banks[a]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[a]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[a]	Life Cos.
1982																				
MAR	10,600	3,180	3,160	3,465	795	6,957	2,420	2,626	1,872	39	477	90	207	129	51	3,096	600	327	1,464	705
APR	9,755	2,900	3,100	3,071	684	6,721	2,420	2,582	1,674	45	469	50	177	172	70	2,535	400	341	1,225	569
MAY	9,689	3,080	3,193	2,899	517	6,626	2,450	2,541	1,597	38	479	190	163	111	15	2,614	470	489	1,191	464
JUN	11,792	3,440	4,041	3,826	485	8,153	2,850	3,228	1,995	50	687	180	271	223	13	2,932	390	512	1,608	422
JUL	10,874	2,940	3,427	3,661	846	7,361	2,330	2,922	2,049	60	501	70	206	177	48	2,862	390	299	1,435	738
AUG	10,108	2,710	3,601	3,251	546	7,412	2,500	2,909	1,958	45	543	40	280	210	13	2,423	440	412	1,083	488
SEP	10,807	2,620	3,858	3,855	474	7,911	2,460	3,130	2,276	45	563	20	295	226	22	2,393	200	433	1,353	407
OCT	10,954	3,080	3,529	3,764	581	7,637	2,480	2,817	2,296	44	781	340	216	210	15	2,646	370	496	1,258	522
NOV	13,450	4,460	4,026	4,458	506	10,067	3,930	3,148	2,935	54	702	220	337	107	38	2,751	380	541	1,416	414
DEC	19,578	5,850	6,443	5,724	1,561	13,941	5,390	4,778	3,705	68	1,025	50	605	297	73	4,482	280	1,060	1,722	1,420
1983																				
JAN	16,530	6,400	4,755	4,595	780	12,137	5,840	3,621	2,628	48	1,066	250	529	246	41	3,426	410	605	1,721	691
FEB	18,116	6,960	5,090	5,197	869	13,850	6,820	3,946	3,041	43	958	90	383	407	78	3,748	490	761	1,749	748
MAR	23,138	8,590	7,577	5,955	1,016	17,149	7,160	5,877	4,054	58	1,061	70	677	233	81	4,498	930	1,023	1,668	877
APR	21,117	7,520	7,942	4,903	756	15,983	6,630	6,292	3,005	56	1,269	340	656	223	50	3,865	550	990	1,675	650
MAY	23,354	7,760	8,348	6,427	819	17,229	6,860	6,903	3,409	57	1,148	130	549	411	58	4,977	770	896	2,607	704
JUN	30,493	9,180	10,936	8,851	1,526	21,917	7,840	8,683	5,302	92	2,537	980p	916	491	150	6,039	360	1,337	3,058	1,284
JUL	n.a.	n.a.	10,275	6,973	995	n.a.	n.a.	8,297	4,667	64	n.a.	n.a.	759	311	71	n.a.	n.a.	1,219	1,995	860

LONG-TERM COMMITMENT ACTIVITY

(Dollars in Millions)

Year and Month	OUTSTANDING					ISSUED DURING MONTH				
	Total	Mtg. Bankers	S&Ls	Banks[a]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[a]	Life Cos.
1982										
FEB	43,552	7,740	16,529	8,794	10,489	7,480	3,080	2,844	1,131	425
MAR	46,125	8,910	16,664	9,630	10,921	10,005	4,130	3,347	1,564	964
APR	48,376	9,090	17,186	11,381	10,719	10,329	4,650	3,390	1,579	710
MAY	49,695	9,390	17,362	12,345	10,598	9,690	4,180	3,350	1,627	533
JUN	49,270	9,240	17,327	12,543	10,160	8,765	3,220	3,597	1,648	300
JUL	49,726	9,610	16,951	13,436	9,729	9,171	3,410	3,537	1,679	545
AUG	50,855	10,410	17,748	13,192	9,505	9,646	3,750	3,847	1,615	434
SEP	51,994	11,350	18,241	13,108	9,295	11,139	5,290	3,888	1,466	495
OCT	54,730	13,610	19,328	12,512	9,280	13,394	7,040	4,024	1,620	710
NOV	60,452	16,540	20,785	13,457	9,670	16,226	8,060	5,017	1,819	1,330
DEC	65,375	19,940	21,548	14,267	9,620	17,913	7,780	6,082	1,991	1,304
1983										
JAN	66,607	20,160	22,945	13,802	9,700	15,343	6,660	5,555	1,928	1,200
FEB	74,301	24,060	25,677	14,847	9,717	17,367	6,950	7,271	2,076	1,070
MAR	80,178	26,500	28,846	14,982	9,850	23,050	8,410	10,291	3,051	1,298
APR	109,493	53,320	31,850	13,993	10,330	26,184	11,630	9,730	3,230	1,594
MAY	81,764	21,560	33,906	15,767	10,531	23,274	7,680	10,622	3,667	1,305
JUN	95,914p	34,140p	35,319	15,308	11,147	25,641	7,040	12,555	3,940	2,106
JUL	n.a.	n.a.	36,852	12,203	12,148	n.a.	n.a.	14,092	3,377	2,164

MORTGAGE INSURANCE

(Units in thousands, dollars in millions)

Year and Month	APPLICATIONS RECEIVED UNITS			INSURED							
		FHA/		Total		FHA (203)		VA		Private	
	Total	VA	Private	Units	Amt.	Units	Amt.	Units	Amt.	Units	Amt.
1982											
FEB	54	32	22	32	1,785	8	356	7	393	17	1,036
MAR	69	37	32	39	2,193	9	373	7	421	23	1,399
APR	63	34	29	35	1,976	8	322	6	374	21	1,280
MAY	67	31	36	43	2,222	8	335	6	328	29	1,559
JUN	83	40	43	50	2,743	9	408	8	443	33	1,892
JUL	84	38	46	52	2,687	9	375	9	482	34	1,830
AUG	82	36	46	54	2,997	8	352	10	573	36	2,072
SEP	91	47	44	60	3,248	11	462	13	743	36	2,043
OCT	103	59	44	52	2,826	10	425	6	385	36	2,016
NOV	104	60	44	53	2,920	11	498	8	455	34	1,967
DEC	175	125	50	63	3,471	16	703	9	564	38	2,204
1983											
JAN	137	98	39	54	3,201	14	637	10	630	30	1,934
FEB	138	96	42	62	3,607	17	795	15	961	30	1,851
MAR	176	113	63	87	5,003	31	1,508	20	1,243	36	2,252
APR	180	117	63	96	5,483	39	1,867	19	1,190	38	2,426
MAY	165	91	74	101	5,959	24	1,152	30	1,911	47	2,896
JUN	233	145	85	139	8,015	60	2,938	24	1,541	55	3,536
JUL	182	102	80	115	6,863	38	1,854	20	1,224	57	3,785

SECONDARY MARKET ACTIVITY

(Dollars in Millions)

Year and Month	FNMA				FHLMC				GNMA	
	Portfolio		Mortgage Backed Securities		Comm. to Sell	Comm. to Buy	Mtg. Purc.	Sold	Pass-Through Securities	
	Comm.	Purc.	Comm.	Issued					Applications	Issued
1981										
DEC	1,272	655			1,156	203	1,140	1,156	1,729	1,304
1982										
JAN	813	430	112	322	3,276	3,280	1,629	1,628	1,543	902
FEB	1,204	519	2,287	682	566	565	1,228	1,115	1,789	960
MAR	1,880	604	224	1,071	2,607	2,523	1,481	1,564	2,223	1,335
APR	2,482	755	428	662	2,726	2,824	2,144	2,176	1,219	835
MAY	1,550	1,006	467	802	1,699	2,692	1,214	1,194	1,812	1,194
JUN	1,582	1,223	2,696	337	3,207	3,166	1,581	1,564	2,800	1,530
JUL	2,016	1,354	670	1,858	2,201	2,181	2,236	2,205	2,116	1,011
AUG	1,820	1,931	1,694	789	2,906	2,768	2,529	2,618	2,850	1,383
SEP	1,482	1,670	1,503	1,008	2,980	2,892	1,798	1,924	16,429	1,521
OCT	1,426	1,449	1,741	2,167	2,467	2,506	2,000	2,200	1,297	1,441
NOV	2,795	1,681	2,281	1,838	1,818	1,714	1,917	2,177	1,692	1,564
DEC	3,055	2,495	1,415	2,436	897	1,068	3,916	3,804	3,093	2,330
1983										
JAN	2,006	2,045	1,409	1,082	2,004	2,059	1,479	1,641	4,593	2,657
FEB	784	1,594	1,496	1,213	847	868	1,688	1,756	4,316	3,573
MAR	1,184	1,433	2,237	1,684	1,410	1,438	2,849	2,469	9,487	5,292
APR	1,023	1,004	1,055	1,152	2,149	3,079	1,807	1,525	6,423	4,359
MAY	1,534	1,579	1,251	1,160	2,881	2,334	2,439	1,408	6,687	4,654
JUN	2,506	1,333	1,713	1,097	2,319	2,358	1,494	1,244	6,444	5,246
JUL	1,198	1,358	1,618	1,651	4,621	4,671	1,523	1,451	5,468	4,363

MORTGAGE BANKERS CONSTRUCTION AND LAND LOAN ACTIVITY

(Dollars in Millions)

Year and Month	DISBURSEMENTS DURING MONTH					OUTSTANDING COMMITMENTS TO BORROWERS			
	Construction				Land Loans				
	Total	1-4 Units	5[b] Units	Non-res.		Total	1-4 Units	5[b] Units	Non-res.
DEC	180	70	40	70	70	7,480	770	2,910	3,800
JAN	130	30	30	70	30	8,070	650	3,630	3,800
FEB	170	50	40	80	60	7,530	540	3,340	3,650
MAR	130	70	10	50	40	6,420	630	2,000	3,790
APR	360	70	80	210	60	7,820	560	2,330	4,930
MAY	130	50	10	70	40	8,150	660	3,230	4,620
JUN	180	60	40	80	70	7,660	590	2,250	4,820
JUL	160	50	30	80	40	8,900	580	2,250	6,070
AUG	150	60	20	70	50	4,420	690	1,570	2,160
SEP	170	70	30	70	30	6,180	980	2,730	2,470
OCT	170	90	30	50	30	5,540	480	2,340	2,720
NOV	180	110	20	50	20	9,370	590	2,170	2,610
DEC	230	100	40	90	50	5,680	880	1,940	2,860
JAN	150	80	30	40	60	7,160	800	3,720	2,640
FEB	220	90	40	90	50	9,470	980	4,450	4,040
MAR	230	110	20	100	40	14,050	1,570	9,320	3,160
APR	200	80	10	100	50	na	1,150	na	2,520
MAY	430	220	50	160	200	6,440	890	3,820	1,730
JUN	600p	220p	90p	290p	160p	18,470p	950p	15,420p	2,100
JUL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a.—Not available; p—Preliminary

[1]From the National Association of Realtors' "Existing Home Sales" series.

[2]Reflects cumulative total through the latest month for each column.

[3]Secondary market gross yields.

Federal Home Loan Mortgage Corp. Existing construction only.

[5]Federal Reserve's weighted average interest rate for Commercial Banks.

[6]Weighted average gross yields for accepted bids.

[7]Survey of three New York security dealers. Securities for immediate delivery.

[8]Mutual Savings Banks and Commercial Banks.

Sources: American Council of Life Insurance, Board of Governors of the Federal Reserve System, Bureau of the Census, Citicorp Real Estate Inc., Department of Housing and Urban Development, Federal Home Loan Bank Board, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Mortgage Bankers Association of America, National Association of Mutual Savings Banks, National Association of Realtors, Veterans Administration.

MORTGAGE BANKING ACTIVITY

LONG-TERM MORTGAGE LOANS CLOSED[1]

Year and Month	SEASONALLY ADJUSTED				NOT SEASONALLY ADJUSTED							
						1-4 Units				5[3] Units		
	Total[2]	1-4 Units	5[3] Units	Non-Res.	Total	Total	FHA	VA	Conv.	Total	FHA	Conv.	Non-[3] Res.
1981													
SEP	2,250	1,900	30	380	2,610	2,180	530	420	1,230	50	40	10	380
OCT	2,110	1,550	270	420	2,440	1,870	480	350	1,040	170	0	170	400
NOV	1,890	1,520	40	330	1,820	1,430	400	290	740	40	10	30	350
DEC	2,290	1,660	170	280	2,530	1,800	600	390	810	190	0	190	540
1982													
JAN	2,030	1,560	90	520	1,830	1,390	410	340	640	100	60	40	340
FEB	2,140	1,760	120	290	1,820	1,380	470	280	630	120	90	30	320
MAR	3,180	2,420	90	600	2,790	2,110	600	340	1,170	80	60	20	600
APR	2,900	2,420	50	400	2,570	2,100	570	350	1,180	50	30	20	420
MAY	3,080	2,450	190	470	2,740	2,240	670	410	1,160	110	70	40	390
JUN	3,440	2,850	180	390	3,420	2,920	850	550	1,520	180	170	10	320
JUL	2,940	2,330	70	390	3,020	2,630	780	510	1,340	70	70	0	320
AUG	2,710	2,500	40	440	3,250	2,860	920	580	1,360	40	20	20	350
SEP	2,620	2,460	20	200	3,050	2,820	890	680	1,250	30	20	10	200
OCT	3,080	2,480	340	370	3,560	3,000	1,060	740	1,200	210	120	90	350
NOV	4,460	3,930	220	380	4,290	3,670	1,540	950	1,180	220	200	20	400
DEC	5,850	5,390	50	280	6,470	5,860	2,210	1,540	2,110	60	0	60	540
1983													
JAN	6,400	5,840	250	410	5,760	5,210	2,450	1,450	1,310	280	40	240	270
FEB	6,960	6,820	90	490	5,930	5,380	2,260	1,430	1,690	70	0	70	480
MAR	8,590	7,160	70	930	8,030	6,670	2,730	1,990	1,950	70	50	20	1,290
APR	8,490	7,640	340	520	7,520	6,630	2,540	1,640	2,450	340	0	340	550
MAY	8,720	7,500	220	930	7,760	6,860	2,910	1,800	2,150	130	20	110	770
JUNp	9,220	7,640	980	440	9,170	7,830	2,820	1,840	3,170	na	na	120	360

COMMITMENT ACTIVITY: LONG-TERM MORTGAGE LOANS

Year and Month	COMMITMENTS DURING MONTH								OUTSTANDING COMMITMENTS END OF MONTH					
	To Borrowers				From Investors				To Borrowers			From Investors		
	Total	1-4 Units	5[3] Units	Non-Res.	Total	1-4 Units	5[3] Units	Non-Res.	1-4 Units	5[3] Units	Non-Res.	1-4 Units	5[3] Units	Non-Res.
1981														
SEP	1,820	1,610	90	120	2,330	1,530	120	680	5,260	470	810	5,690	870	1,520
OCT	2,340	1,770	170	400	2,560	1,850	200	510	5,190	280	840	5,280	510	1,130
NOV	1,920	1,320	180	420	4,250	1,490	190	2,570	3,720	390	640	4,170	610	1,150
DEC	3,150	2,370	170	610	2,470	2,020	160	290	5,890	950	600	4,780	1,240	710
1982														
JAN	2,940	2,290	240	410	3,290	2,430	140	720	6,370	1,000	690	5,380	1,260	880
FEB	3,080	2,210	90	780	3,620	2,470	60	1,090	6,220	810	710	4,550	1,130	930
MAR	4,130	3,010	120	1,000	2,850	2,560	140	150	7,730	480	700	5,610	710	930
APR	4,650	2,250	350	2,050	5,760	3,090	390	2,280	7,350	550	1,190	6,520	650	1,170
MAY	4,180	2,560	340	1,280	4,270	2,630	380	1,260	7,970	640	780	6,730	1,180	890
JUN	3,220	2,640	180	400	3,450	2,670	120	660	7,930	550	760	7,240	880	900
JUL	3,410	2,550	80	780	4,890	3,700	120	1,070	7,950	590	1,070	7,830	840	1,240
AUG	3,750	3,140	240	370	4,800	4,260	180	360	9,010	740	660	7,800	990	720
SEP	5,290	4,900	90	300	6,050	5,380	140	530	9,920	940	490	9,830	1,400	670
OCT	7,040	6,240	170	630	3,740	3,120	190	430	13,030	130	450	9,590	620	590
NOV	8,060	6,270	370	1,420	6,910	4,830	640	1,440	15,380	600	560	12,360	1,140	750
DEC	7,730	6,590	120	1,070	6,870	5,260	120	1,490	18,890	680	670	11,880	940	810
1983														
JAN	6,660	5,680	120	860	7,640	6,310	110	1,220	18,910	520	730	13,260	1,060	910
FEB	6,950	6,180	240	530	8,850	6,970	52	1,360	21,340	1,830	890	12,240	1,880	1,080
MAR	8,410	7,100	1,010	300	11,420	9,180	1,220	1,020	23,490	2,550	460	13,980	3,080	830
APR	na	6,300	na	1,270	na	10,010	na	1,620	20,220	na	860	16,710	na	1,050
MAY	7,680	7,070	0	610	9,230	8,320	100	810	20,430	500	630	16,210	1,280	810
JUNp	7,040	6,930	0	110	10,840	10,370	120	350	23,120	na	510	17,210	na	520

Notes: [1]All dollar amounts are in millions.

[2]Total is seasonally adjusted separately from components. Total, therefore, may not equal sum of parts.

[3]Series labeled non-residential are also inclusive of farm data.

[4]Percent coverage equals outstanding commitments received from investors divided by the sum of outstanding end of month inventory and outstanding commitments issued to borrowers, all multiplied by 100.

Year and Month	OUTSTANDING END OF MONTH INVENTORY									COVERAGE[1]			SERVICING VOLUME		
		1-4 Units				5[3] Units			Non-Res.	1-4 Units	5[3] Units	Non-Res.	1-4 Units	5[3] Units	Non-Res.
	Total	Total	FHA	VA	Conv.	Total	FHA	Conv.							
1981															
SEP	3,990	2,660	640	470	1,550	460	40	420	870	72	94	90	195,370	19,140	39,590
OCT	4,330	2,640	580	400	1,660	570	60	510	1,120	67	60	58	214,730	20,730	46,680
NOV	3,580	2,220	480	340	1,400	570	60	510	790	70	64	80	188,070	19,880	37,990
DEC	4,330	2,280	470	320	1,490	1,230	160	1,070	820	59	57	50	212,560	22,750	39,210
1982															
JAN	4,510	2,340	490	340	1,510	1,240	170	1,070	930	62	56	54	222,860	23,790	44,400
FEB	4,100	2,140	440	320	1,380	1,120	200	920	840	54	59	50	223,400	22,860	44,140
MAR	4,160	2,470	520	320	1,630	710	100	610	980	55	60	55	235,950	26,690	43,830
APR	4,670	2,380	510	350	1,520	910	110	800	1,380	67	45	46	233,690	24,910	46,580
MAY	4,560	2,470	530	370	1,570	1,210	110	1,100	880	64	64	54	239,060	26,040	45,020
JUN	3,360	2,400	630	410	1,360	530	130	400	430	70	81	76	244,630	25,090	44,340
JUL	5,150	2,690	640	490	1,560	1,220	140	1,080	1,240	74	46	54	235,360	22,700	43,030
AUG	5,000	2,910	710	450	1,750	1,240	140	1,100	850	65	50	48	258,320	25,020	44,360
SEP	6,140	3,000	740	490	1,770	2,380	140	2,240	760	76	42	50	258,260	25,560	44,620
OCT	6,160	3,170	750	640	1,780	2,020	140	1,880	970	59	29	42	269,470	26,150	46,350
NOV	6,650	3,620	1,000	740	1,880	2,120	290	1,830	910	65	42	51	280,360	26,490	47,050
DEC	6,320	4,400	1,370	960	2,070	1,130	160	970	790	52	52	55	292,440	26,300	49,670
1983															
JAN	8,260	4,830	1,680	1,150	2,000	2,590	330	2,260	840	56	34	58	298,680	30,890	47,110
FEB	9,070	5,260	1,700	1,160	2,400	2,620	340	2,280	1,190	46	42	52	274,470	42,570	48,710
MAR	11,390	6,290	2,040	1,480	2,770	4,070	360	3,710	1,030	47	47	56	280,270	39,210	50,680
APR	8,860	5,270	1,730	1,290	2,250	2,860	150	2,710	730	66	51	66	289,290	41,620	47,300
MAY	8,620	5,490	2,040	1,320	2,130	2,540	0	2,540	590	63	42	66	313,560	52,280	46,790
JUN[p]	9,090	5,660	1,940	1,270	2,450	2,810	250[p]	2,560	620	60	93[p]	46	307,000	49,400	42,150

CONSTRUCTION AND LAND LOAN ACTIVITY

Year and Month	DISBURSEMENTS DURING MONTH					CONSTRUCTION LOANS CLOSED				END OF MONTH INVENTORY				
	Total	1-4 Units	5[3] Units	Non-Res.	Land Loans	Total	1-4 Units	5[3] Units	Non-Res.	Total	1-4 Units	5[3] Units	Non-Res.	Land Loans
1981														
SEP	180	80	40	60	50	420	100	170	150	3,250	1,130	910	1,210	810
OCT	280	70	40	170	40	820	310	150	360	4,020	1,150	980	1,890	900
NOV	190	70	40	80	40	380	110	50	220	3,960	1,000	1,030	1,930	870
DEC	180	70	40	70	70	990	590	130	270	4,240	1,020	1,120	2,100	900
1982														
JAN	130	30	30	70	30	520	50	160	310	3,400	810	800	1,790	910
FEB	170	50	40	80	60	380	70	70	240	3,550	830	890	1,830	950
MAR	130	70	10	50	40	530	100	70	360	3,250	800	800	1,650	910
APR	360	70	80	210	60	550	90	180	280	3,810	820	960	2,030	1,010
MAY	130	50	30	50	40	690	80	200	410	3,740	780	960	2,000	970
JUN	180	60	40	80	70	810	80	380	350	4,290	840	1,090	2,360	1,020
JUL	160	50	30	80	40	510	60	320	130	4,210	840	960	2,410	970
AUG	150	60	20	70	50	620	100	250	270	3,480	900	920	1,660	1,000
SEP	170	70	30	70	30	370	90	160	120	3,840	960	950	1,930	1,000
OCT	170	90	30	50	30	200	90	90	20	4,620	1,150	1,180	2,290	920
NOV	180	110	20	50	20	440	120	270	50	3,880	1,110	890	1,880	950
DEC	230	100	40	90	50	500	130	110	260	4,050	1,180	900	1,970	1,030
1983														
JAN	150	80	30	40	60	300	140	30	130	3,510	990	830	1,690	920
FEB	220	90	40	90	50	320	120	80	120	4,410	1,240	860	2,310	1,000
MAR	230	110	20	100	40	500	190	200	110	3,940	1,260	610	2,070	890
APR	200	80	10	100	50	320	160	70	90	2,830	850	450	1,530	1,060
MAY	430	220	50	160	200	490	150	90	250	9,700	2,880	1,290	5,530	3,820
JUN[p]	600	220	90	290	160	510	160	80	270	10,030	2,720	1,470	5,840	3,780

Year and Month	COMMITMENTS TO BORROWERS: LAND AND CONSTRUCTION LOANS								NOTES PAYABLE			
	Issued During Month				End of Month Balances				End of Month Balances			
	Total	1-4 Units	5[3] Units	Non-Res.	Total	1-4 Units	5[3] Units	Non-Res.	Total	Comm. Paper	To Parent	To Others
1981												
SEP	970	80	290	600	3,670	920	1,210	1,540	10,770	2,460	4,380	3,930
OCT	1,200	130	160	910	7,030	920	1,330	4,780	11,510	2,320	5,260	3,930
NOV	1,050	120	520	410	6,120	750	1,770	3,600	10,870	1,680	5,270	3,920
DEC	1,920	140	1,310	470	7,480	770	2,910	3,800	10,960	1,160	5,710	4,090
1982												
JAN	2,050	180	1,400	470	8,070	650	3,620	3,800	11,070	1,130	5,770	4,170
FEB	690	70	190	430	7,530	540	3,340	3,650	11,230	1,180	5,360	4,690
MAR	920	190	170	560	6,420	630	2,000	3,790	11,930	1,250	6,610	4,070
APR	2,730	110	1,090	1,530	7,820	560	2,330	4,930	12,610	1,000	5,540	6,070
MAY	1,280	140	670	470	8,150	660	3,230	4,260	11,570	1,130	5,070	5,370
JUN	950	130	300	520	7,660	590	2,250	4,820	13,810	1,230	5,680	6,900
JUL	950	70	330	550	8,900	580	2,250	6,070	11,350	1,820	5,000	4,530
AUG	760	110	350	300	4,420	690	1,570	2,160	12,900	1,630	5,110	6,160
SEP	670	100	430	140	6,180	980	2,730	2,470	12,250	1,950	5,760	4,540
OCT	1,860	110	1,600	150	5,540	480	2,340	2,720	20,460	1,380	7,370	11,710
NOV	720	160	320	230	5,370	590	2,170	2,610	14,650	1,640	6,010	7,000
DEC	950	180	360	410	5,680	880	1,940	2,860	16,630	2,540	7,490	6,600
1983												
JAN	1,750	140	1,410	200	7,160	800	3,720	2,640	22,080	3,900	9,950	8,230
FEB	1,140	180	420	540	9,470	980	4,450	4,040	18,760	3,630	7,220	7,910
MAR	4,650	440	3,820	390	14,050	1,570	9,320	3,160	19,860	5,280	7,340	7,240
APR	3,840	180	2,950	710	na	1,150	na	2,520	17,760	3,390	8,200	6,170
MAY	1,080	180	610	290	6,440	890	3,820	1,730	26,300	4,720	8,740	12,840
JUN[p]	1,530	200	630	700	na	950	na	2,100	26,200	4,630	8,180	13,390